

CLARK COUNTY
FINANCE COMMITTEE

FIRST QUARTER, 2003



MAY 13, 2003

CLARK COUNTY
FINANCE COMMITTEE
INDEX

SECTION I	APRIL 1, 2003 MINUTES
SECTION II	EXECUTIVE SUMMARY
SECTION III	2003 YEAR-TO-DATE
SECTION IV	QUARTERLY ACTIVITY
SECTION V	INVESTMENT STRATEGY
SECTION VI	ECONOMIC/MARKET CONDITIONS
SECTION VII	PORTFOLIO

REGULAR MEETING MINUTES
Clark County Finance Committee Meeting
April 1, 2003
Clark County Treasurer's Office Conference Room
2 p.m.

Member in Attendance: Doug Lasher, Chair
Craig Pridemore, Commissioner

Others in Attendance: Bill Barron, County Administrator; Barbara Fava, Public Financial Management, Inc.; Cathy Huber Nickerson, Lori Pearce, Margie Edwards, John Payne, Doug Lasher, Kathleen Smithline Clark County Treasurer's Office

Recording: Kathleen Smithline, Treasurer's Office

The meeting was called to order by Doug Lasher, Chair, at 2:15 p.m. with a quorum present.

APPROVAL OF MINUTES

MOTION was made by Craig Pridemore, seconded by Doug Lasher, and unanimously carried to approve the Minutes of November 12, 2002.

APPROVAL OF COUNTY FINANCE REPORT

Lori Pearce presented an overview of the fourth-quarter, 2002, County Finance Report, which included investment strategies, economic and market conditions, and a review of the portfolio as of December 31, 2002. The GDP growth came in at 1.4%, the slowest since second-quarter, 2002; overall growth for the year was 2.9%, consistent with long-term growth objectives; the Consumer Confidence Index for December was 80.3, down from 93.7 in September; and unemployment claims remained at elevated levels of nearly 3.5 million due to layoffs in technology and telecommunications. County Pool balances averaged \$501 million during 2002 compared to \$422 million during 2001. County funds comprise 26% of the County Pool; Vancouver School District 23%; Evergreen School District 20%; the Port of Vancouver 6%; Camas School District and ESD 112 at 4%; and all other districts at 17%. The annualized quarterly total return for the County Pool came in at 2.97% compared to the custom Treasury total return index of 2.22%. The County Pool rate, on a book value return basis and on a net basis, yielded 2.51% compared to the custom Treasury Index with a book value return of 1.36%. Fair market value adjustments are made four times per year with the next one occurring at the end of March. The current investment strategy is to focus on U. S. Treasuries with a 12-18-month range; continue to utilize State LGIP for short-term investing until the interest rate outlook changes; target an average maturity of 7 – 8 months; consider increasing allocation to callable agencies because there is pick up in yield in that area; continue to use the barbell

strategy, given the current market conditions. There was discussion regarding if other jurisdictions understand the rates, etc. of the county's investing. Doug Lasher stated that the jurisdictions do appear to understand the investments, as the Treasurer's Office meets with representatives of the jurisdiction on a quarterly basis. **MOTION** was made by Craig Pridemore, seconded by Doug Lasher, and unanimously carried to approve the County Finance Report for fourth-quarter, 2002.

PFM REPORT

Barbara Fava from Public Financial Management, Inc. presented an overview of the County's investments for fourth quarter, 2002.

She reported that economic growth was modest during 2002. The country is technically not in a recession at this time, but the economy is very slow. The resiliency of the U. S. consumer is being significantly tested. Consumer confidence is down due to the combination of terrorists, the war, etc. She noted that in 1991, unemployment was higher – at 7.5% - so compared to then, this recession is less severe, and recovery is much slower. Interest rates remain at their lowest level in over 40 years. The two-year Treasury Note dropped to 1.33% at one point reflecting extreme volatility. The market appears to be reacting to all news – good and bad. Across the board, rates have come down and market value has gone up, so returns were good in 2002. The year 2002 was another outstanding year for fixed income portfolios. The strategy that the County has used allowed for good returns (factoring in market value appreciation). The portfolio strategy implemented for most of the year was to capture value with a barbell investment approach, which has worked very well. She noted that the market anticipates the rates to go down. The portfolio maintains excellent liquidity, which will allow the County to take advantage of short-term rates. Market risk is minimized with the high liquidity. The credit quality of the portfolio remains very high. The County Pool has outperformed the benchmark in the past two years. When interest rates go up 25 basis points over a three-month period, the return should be about 1.09% - the benchmark being .55%. Positioning the portfolio short of the benchmark will enable the County to obtain less volatile returns. The longer it takes for interest rates to go up, the less impact it will have on the portfolio. If it is shorter, returns are minimized and the portfolio could see market value losses. The County Pool has consistently outperformed the State Pool since 1999. The yield on the two-year Treasury Note as of March 31, 2003, was 1.48%. The market is predicting that fed funds will be lower. The market is pricing in a high likelihood of a rate cut in the next couple of months and believes the fed fund rate will be at or below market rates through the end of the year. Fed funds are currently at 1.25%. Investment strategy suggestions from PFM are:

- Shorten the maturity target to seven – eight months, down from nine – ten months because there will be a market impact when rates do go up.
- Maintain a barbell portfolio structure as long as banks are willing to offer above-market rates and are fully collateralized.
- Emphasize Treasury securities for purchases with maturities under two years. Because of the war, Treasuries are more liquid.

- Maintain or slightly increase current allocation to callables. The portfolio is very well structured, which allowed the County to generate good returns compared to other portfolios.

MOTION was made by Craig Pridemore, seconded by Doug Lasher, and unanimously carried to approve Public Financial Management's report.

COUNTY DEBT STATUS

Lori Pearce presented the County Debt Status Report as of December 31, 2002. At the end of the fourth quarter, 2002, the total outstanding debt of Clark County and its junior taxing districts totaled approximately \$753 million compared to \$709 million on December 31, 2001. New issues during the fourth quarter were Camas SD #117, \$38,785,000 in Unlimited Tax G.O. Refunding Bonds; Clark County, \$2,780,000 in Limited Tax G.O. Refunding Bonds; Clark County, \$1,318,500 in the Local Option Capital Asset Lending (LOCAL) program; LaCenter SD #101, \$12,800,000 in Unlimited Tax G.O. Bonds; Battle Ground SD #119, \$308,540 in the LOCAL program; Vancouver SD #37, \$768,467 in the LOCAL program. Pending new issues were: Evergreen SD #114, \$47,655,000 in Limited Tax G.O. Refunding Bonds; Clark County, \$11,000,000 in Limited Tax G.O. Improvement and Refunding Bonds.

Port of Vancouver, \$10,000,000 in Limited Tax G.O. Bonds. Clark County Short-Term Outstanding Debt - \$5,000,000 Line of Credit available from First Independent Bank – total outstanding as of December 31, 2002 was \$3,772,870. An interfund loan from Clark County to the Clark County Fair of \$950,000 had an outstanding amount of \$570,034. The total amount of registered warrants outstanding as of December 31, 2002 was \$1,678,169. Doug Lasher stated that Evergreen SD and Fire District #12 will be going out for debt.

MOTION to adjourn was made by Craig Pridemore, seconded by Doug Lasher, and unanimously approved to adjourn the meeting at 3 p.m.

Submitted by: _____
Greg Kimsey, Secretary

Prepared by: _____
Kathleen Smithline
Administrative Assistant

SECTION II - EXECUTIVE SUMMARY

This report provides a retroactive review of the activities occurring during the first quarter, 2003, in compliance with our Investment Policy and Standards adopted May 12, 2000.

During the first quarter, the average maturity of the portfolio decreased to approximately 7.1 months, compared to 8.8 months in the fourth quarter of 2002. The asset sector distribution of the portfolio changed during the first quarter, with approximately 36% of the portfolio invested in Federal Agencies, 45% invested in money markets and 19% invested in U.S. Treasuries. This is compared with the fourth quarter of 2002's asset allocation of 39% of the portfolio invested in Federal Agencies, 41% invested in money markets and 20% invested in U.S. Treasuries. At the end of March 2003, the total portfolio was approximately \$518 million.

Residual balances for the first quarter averaged \$32 million monthly compared to a \$33 million monthly average in 2002. Interest earnings distributed to the County's General Fund during the first quarter of 2003 were \$179,000 compared to \$320,000 for the first quarter of 2002, a decrease of approximately \$141,000. This is a result of lower interest rates in 2003 compared to 2002. The average interest rate of the Clark County Investment Pool for the first quarter of 2003 was 2.56% compared to 3.87% in 2002. Interest earnings for the first quarter of 2003 were lower than revised projections by approximately \$130,000 due to the lowest interest rates set by the federal government in 41 years.

County Pool balances averaged \$467 million in the first quarter of 2003, compared to an average of \$479 million in 2002. Interest earnings distributed to the County Pool participants for the first quarter of 2003 were \$3.0 million compared to \$4.6 million in 2002.

Evergreen School District funds made up 28% of the County Pool. In the first quarter of 2003, Evergreen school district issued \$58,000,000 in bonds causing their overall percentage in the pool to increase substantially. Other major Pool participants include the County funds at 25%, Vancouver School District at 19%, Port of Vancouver at 7%, ESD 112 at 4%, Camas School District and Leichner at 3% and all other districts at 11%.

The annualized quarterly total return for the County Pool came in at 1.92% compared to the custom Treasury total return index of 3.01%. The custom Treasury total return index out performs the County Pool as the average maturity of the Pool falls below nine months and as Treasury securities, 34% of pooled securities, out perform Agencies that account for 66% of pooled securities. On a book value return basis, the County Pool rate yielded 2.43%, compared to the custom Treasury Index with a book value return of 1.21%. The net asset value of the County Pool ended the quarter at 0.99806. An unrealized loss of approximately \$1 million was distributed to the Clark County Pool participants for the fair market value adjustment at the end of March. In accordance with our investment policy, fair market value adjustments are made four times per year. The next one will occur at the end of June.

Our current strategy is to utilize the U.S. Bank MIA and the State Pool for short-term investments until the interest rate outlook changes. In order to protect the portfolio from a sudden increase in interest rates, we will maintain a defensive posture by targeting an average maturity of 7 to 8 months. When interest rates on short-term money market securities increase above the State Pool and the U.S. Bank MIA account, we will ladder securities. Until that occurs, we will be investing in Federal Agency securities in the 2 to 4 year final maturity sector to maintain an average maturity in the portfolio of seven to eight months in accordance with PFM's barbell structured recommendation.

SECTION III - 2003 YEAR-TO-DATE

INVESTMENT ACTIVITY:

During the first quarter of 2003, County residual principal balances averaged \$1.4 million less than in 2002 on an average monthly basis. Actual 2003 County residual balances were under projections by approximately \$10.6 million.

Date	2002 Residual Balance	2003 Residual Balance	2003 Projected Residual Balance
January	30,856,789	22,190,576	37,000,000
February	31,155,726	43,210,854	34,000,000
March	37,646,261	30,010,925	35,000,000
Average	33,219,592	31,804,118	35,333,333

Since 2001, the Fed has taken aggressive action by lowering interest rates 13 times, which brought the Fed funds short-term interest rate to a 41-year low of 1.25% by the end of March 2003. As shown below, actual first quarter interest earnings declined to approximately \$179,000 in 2003 from \$320,000 in 2002, approximately \$130,000 less than projected interest earnings.

Date	2002 Interest Earnings	2003 Interest Earnings	2003 Projected Interest Earnings
January	107,662	36,650	103,549
February	97,169	79,951	92,556
March	115,274	62,699	113,021
Total	320,105	179,300	309,126

Shown below, County Pool principal balances averaged nearly \$467 million for 2003, compared to \$479 million during 2002, approximately 3% lower.

Date	2002 Pool Average Balance	2003 Pool Average Balance
January	486,563,440	432,859,337
February	476,757,242	459,652,656
March	473,722,986	507,018,514
Average	479,014,556	466,510,169

The table below reflects County Pool earnings of \$3.0 million in 2003, compared to \$4.6 million during 2002, resulting in decreased earnings of approximately 34 percent. This is due to the lower interest rate environment in the first quarter of 2003 compared to 2002. The average Clark County Pool interest rate for the first quarter of 2002 was 3.87 percent compared to 2.56 percent in 2003.

Date	2002 Pool Interest Earnings	2003 Pool Interest Earnings
January	1,685,793	1,009,481
February	1,482,990	966,887
March	1,449,122	1,059,428
Total	4,617,905	3,035,796

Figure One shows the major participants in the Clark County Investment Pool for the first quarter of 2003. As of March 31, 2002, Evergreen School District made up 28% of the Pool, County funds – 25%, Vancouver School District – 19%, Port of Vancouver – 7%, ESD 112 – 4%, Camas School District and Leichner – 3% and all other districts – 11%. In the first quarter of 2003, Evergreen school district issued \$58,000,000 in bonds causing their overall percentage in the pool to increase substantially.

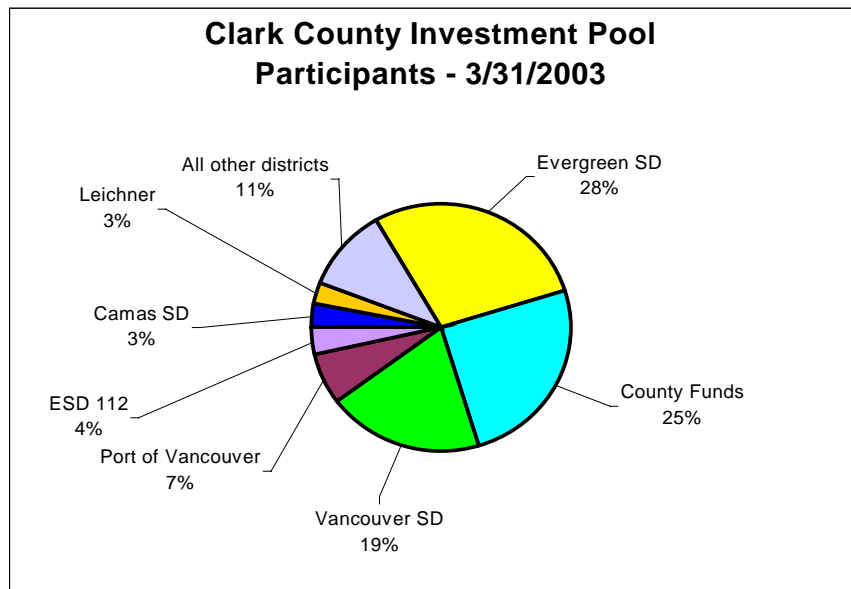


Figure 1

Figure Two shows month-end General Fund cash balances beginning with January 2002 through March 2003. As of the end of March 2003, cash balances in the General Fund decreased below 2002 levels by an average of approximately \$3.0 million on a monthly basis. This is due primarily to the effects of the recent tax initiatives. The cash balances of the general fund will continue to decline due to lower revenue.

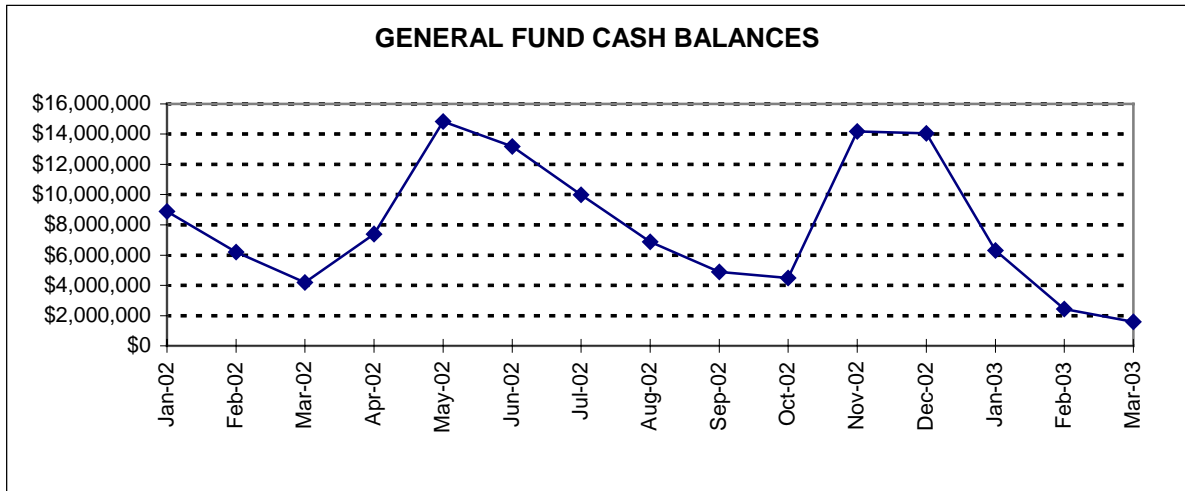


Figure 2

SECTION IV - QUARTERLY ACTIVITY

Figure Three reflects the average principal balances being maintained within the Pool in 2003. For the first quarter of 2003, the average principal balance decreased above the first quarter of 2002 levels by \$12.5 million.

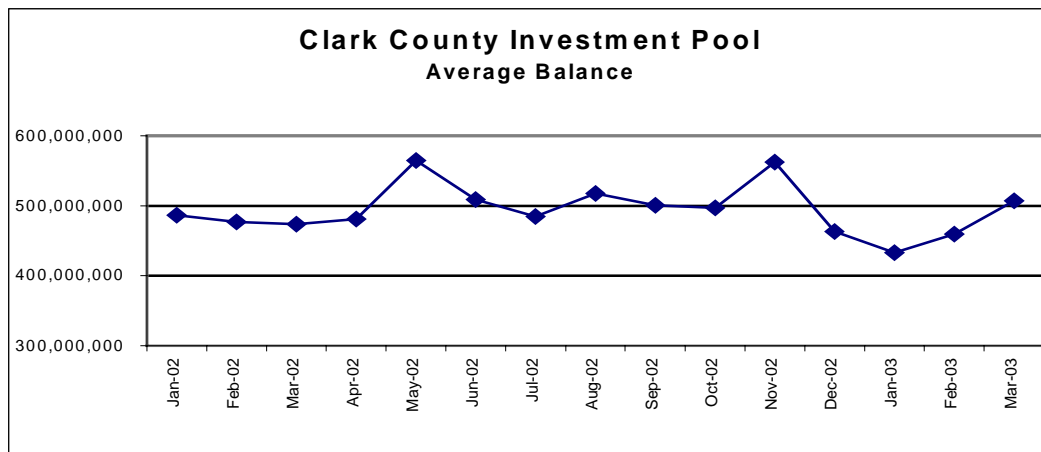


Figure 3

Figure Four reflects the actual monthly residual principal balances managed by the County for 2002 and 2003. Residual balances for the first quarter decreased below the first quarter of 2002 levels by an average of \$472,000 per month due to lower property tax revenues.

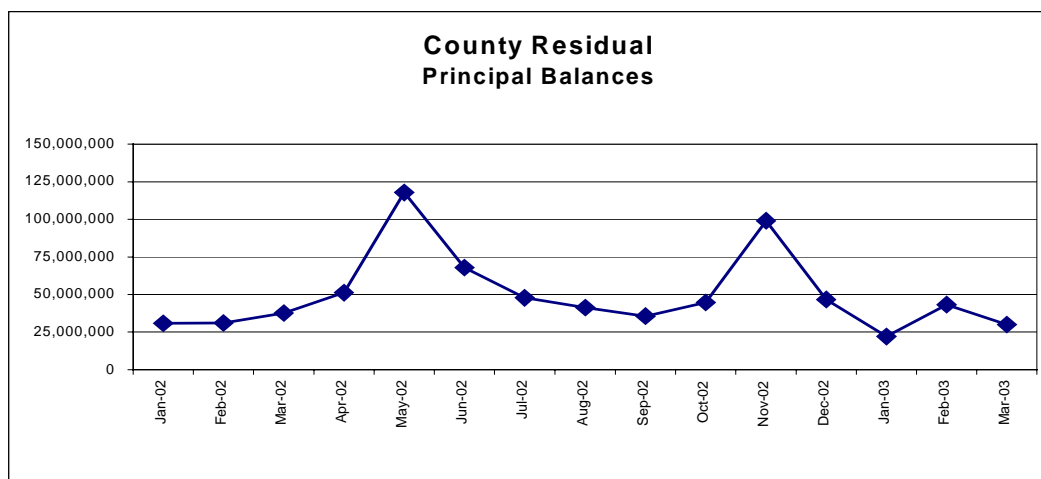


Figure 4

Figure Five shows interest earnings distributed each month to the County's General fund during 2002 and 2003. During the first quarter of 2003, interest earnings averaged \$47,000 less per month than during the same period in 2002. This is due to lower residual balances and lower interest rates during the first quarter. On an average monthly basis, \$107,000 was allocated to the General fund during first quarter of 2002. For first quarter of 2003, an average of \$60,000 was distributed to the General fund per month.

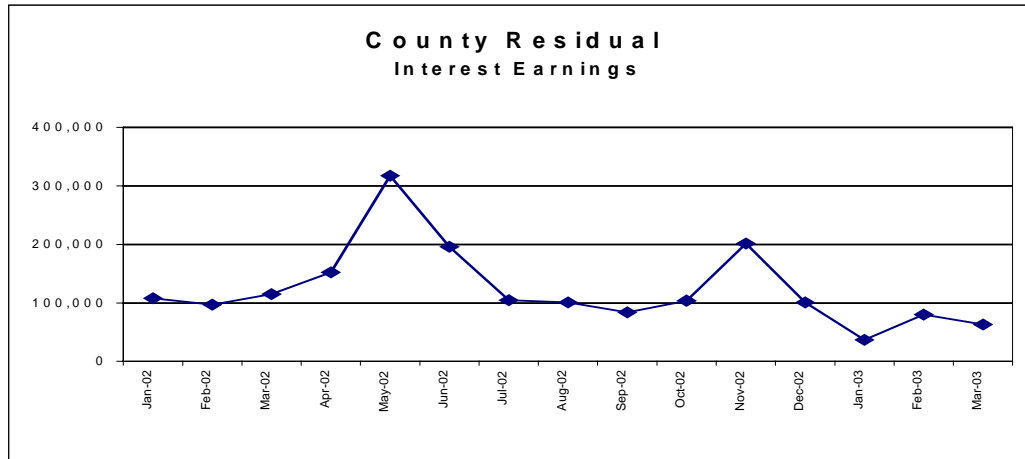


Figure 5

Figure Six shows the County Pool interest rates for 2002 and 2003. The County Pool's book value, gross interest rate at the end of March 2003 was 2.43%, compared to 3.56% on March 31, 2002.

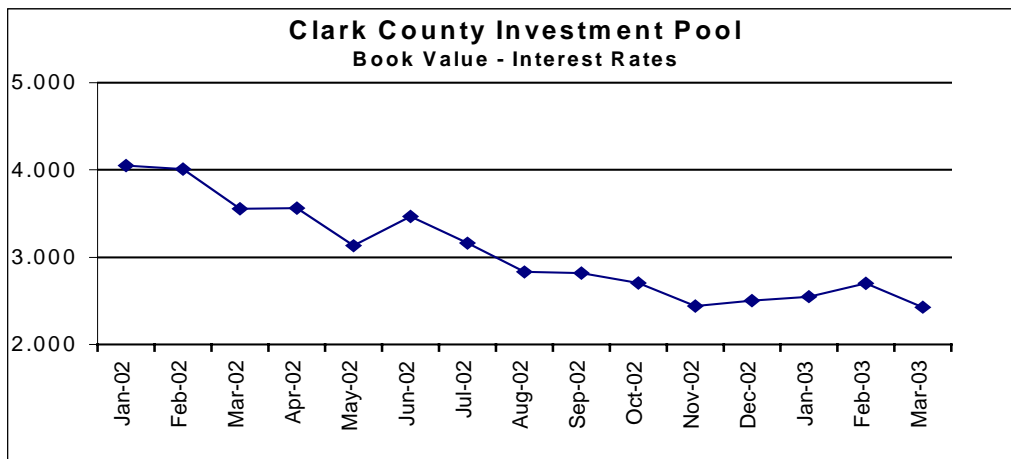


Figure 6

Figures 7 (a) and (b) compare performance on a book value return basis. The County Pool's interest rate is expressed as the net interest rate (the gross rate less the investment fee). The book value return of a portfolio measures the yield based on the yield of the securities at the time the securities are purchased. These performance benchmarks consist of a composite Treasury Index with an average maturity of nine months and the Washington State Local Government Investment Pool (LGIP) with an average maturity of approximately two months. The Clark County Investment Pool has an average maturity of approximately seven months. The Treasury Index and the LGIP closely track current interest rates. At the end of the first quarter, the County Pool's net rate, on a book value return basis was 2.39%, the Treasury Index was 1.21%, and the State Pool's net rate was 1.29%.

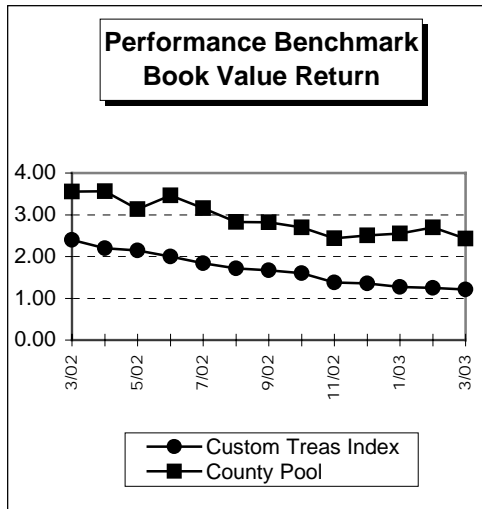


Figure 7(a)

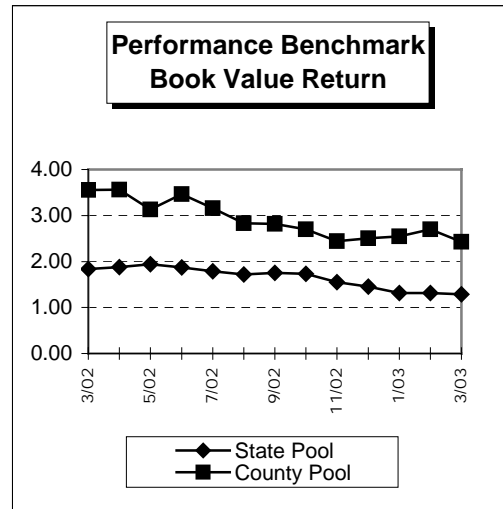


Figure 7(b)

Figure Eight compares performance on a total return basis. Total return measures the market value increase or decrease in the value of the portfolio over a given period of time and the interest earnings associated with the securities. The customized total return index consists of two Merrill Lynch U.S. Treasury Securities maturing from six months to one year. The annualized first quarter return for 2003 for the County Pool was 1.92% and the Treasury Index was 3.01%. Wide swings in return will reflect the volatility in the investment markets.

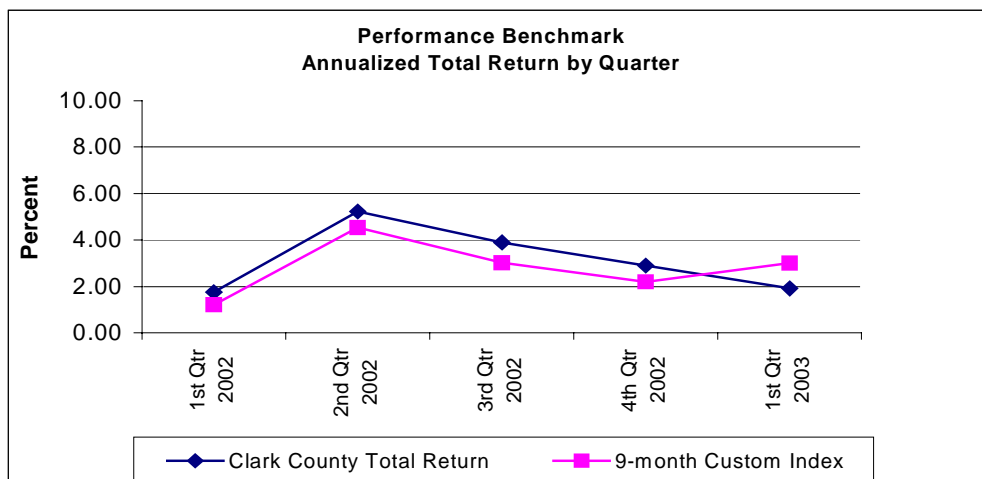


Figure 8

Figure Nine shows the market value of the Pool portfolio based on net asset value (NAV). As of March 2003, the NAV was 0.99806. GASB Statement 31 requires that External Investment Pools report all investments at fair market value, if the average maturity of the Pool exceeds 90 days. On March 31, 2002, the Treasurer's Office posted approximately \$1.0 million in unrealized losses to the County Pool. The next adjustment for fair market value will occur on June 30, 2003.

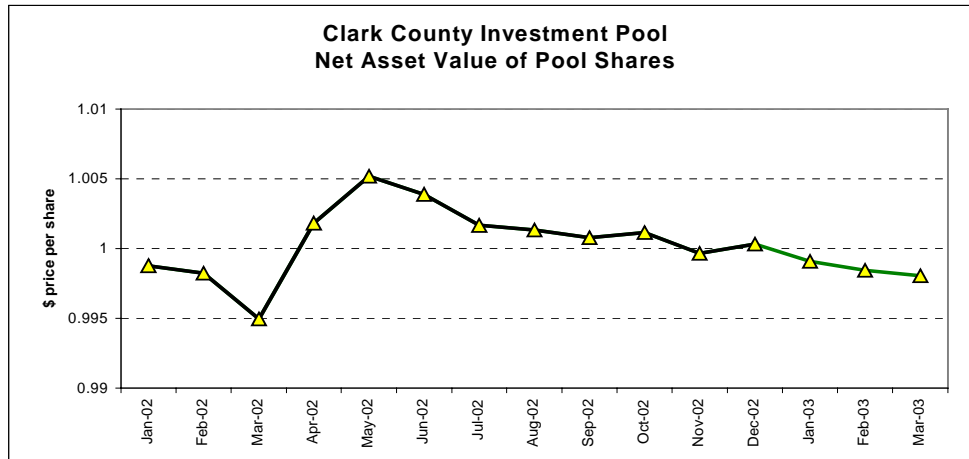


Figure 9

Figure Ten shows the projected County Pool interest rates for 2003 compared to the actual interest rates.

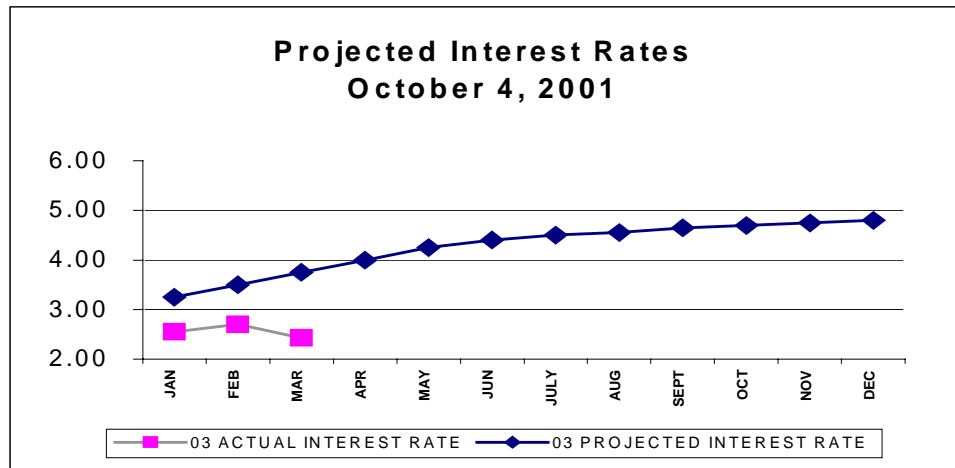


Figure 10

SECTION V - INVESTMENT STRATEGY

The following table shows the percentage distribution of the Clark County Pool maturity periods. As the table indicates, during 2002 emphasis was placed on purchasing securities in the 0 -1 year maturity sector to target an average maturity of 8 months. During the first quarter of 2003, investments were purchased in the 0 - 1 year sector to target an average maturity of 7-8 months.

Period	0 - 1 year	1 – 2 years	2 - 5 years
1 st quarter, 2002	60%	27%	12%
2 nd quarter, 2002	56%	42%	2%
3 rd quarter, 2002	63%	32%	5%
4 th quarter, 2002	66%	29%	5%
1 st quarter, 2003	71%	22%	7%

During the second quarter of 2003, we plan to maintain a weighted average maturity of seven to eight months using a "barbell" structure. We are going to continually monitor our investment strategy to be proactive as economic conditions fluctuate.

In addition, if yields on short-term money market securities increase above the State Pool's yield, we plan to ladder securities out to one year.

The County Pool is maintaining an average maturity of seven to eight months. As of March 31, 2003 the County Portfolio has posted \$3.4 million in aggregate unrealized gains on a fair market value basis. Unrealized losses of approximately \$1.0 million were posted March 31, 2003. The next time unrealized gains/losses will be posted is June 30, 2003. Annual unrealized gains/(losses) are the direct result of fluctuating interest rates. The following is a breakdown by year reflecting the total unrealized gains/(losses).

Year	Unrealized gain/(loss)
1998	566,583
1999	(2,563,593)
2000	4,038,403
2001	2,072,065
2002	295,807
2003	(1,010,266)
Cumulative	3,398,999

The fourth quarter, 2003 report issued by Public Financial Management, Inc. (PFM) recommended the following sector distributions to maintain the Clark County Investment Pool at a 7 to 8-month average maturity.

Investment Sector	Recommended Average Maturity	Current Average Maturity	Recommended % of Portfolio	Current % of Portfolio
US Treasury Notes	9 months-1.75 years	11 months	10% - 25%	18%
Federal Agency Notes/Disc. Notes	6 months – 2 years	1 year 5 months	30% - 60%	37%
Money Markets - State Pool, CP, CD's & BA's	1 – 60 days	1 day	30% - 60%	45%
Aggregate Avg. Maturity	7-8 months	7.1 months		

During the first quarter of 2003, the percentage of US Treasury Notes decreased by 2%; there was a 2% decrease in Federal Agencies and a 4% increase in the money market sector.

SECTION VI - ECONOMIC/MARKET CONDITIONS

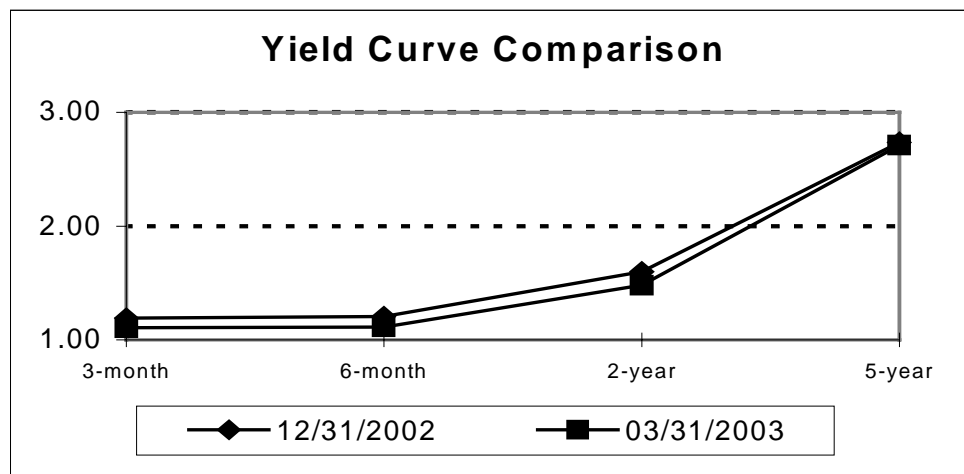
The Consumer Confidence Index (CCI) at the end of March is 62.5 dropping significantly from 80.3 at the end of December. Accordingly, the economy experienced sluggish growth of a 1.6% annual rate in the first quarter of 2003 compared to a 1.4% pace in the fourth quarter of 2002. While lower than expected, first quarter growth is still positive. Economists predict economic growth to accelerate sharply in the second quarter due to the end of the war with Iraq.

According to the Bureau of Labor Statistics: Total non-farm payroll employment fell by 108,000 in March to 130.4 million, seasonally adjusted. This followed a loss of 357,000 jobs (as revised) in February. The largest declines in March occurred in manufacturing, retail trade, and government. Construction employment edged upward, and most other major industries showed little change in employment.

Current issues affecting the U.S. economy are the rebuilding of Iraq, excess capacity, global economic weakness, state and local fiscal problems across the nation, fears associated with SARS and threats of terrorism on U.S. interests at home and abroad. Prospective burdens include concerns over international relationships, trade agreements, and regional disputes. As such, the FOMC met on May 6th, maintaining the Fed funds rate at 1.25. Between January 2001 and November 2002, the Feds have cut interest rates 13 times in an effort to bolster the economy:

While incoming economic data since January has been mixed, recent labor market indicators have proven to be disappointing. However, the hesitancy of the economic expansion appears to owe importantly to oil price premiums and other aspects of geopolitical uncertainties. The Committee believes that as those uncertainties lift, as most analyst expect, the accommodative stance of monetary policy, coupled with ongoing growth in productivity, will provide support to economic activity sufficient to engender an improving economic climate over time. FOMC 3/18/03

On March 31, 2003 the 3-month T-bill yielded 1.180 compared to 1.190% on December 31, 2002. The yield curve begins to shift upward after the 6-month sector.



SECTION VII - PORTFOLIO

Exhibit One shows the make up of the entire portfolio at the end of the first quarter of 2003. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of securities held and the percentage each sector makes up of the total portfolio. All percentages are consistent with the current policy.

Exhibit Two shows the complete portfolio listings as of the end of the year. This report shows the book value, the par value, and the market value of the portfolio as of March 31, 2003.

Exhibit Three shows the liquidity of the entire portfolio. All percentages are consistent with the current policy.

Exhibit Four reflects the percentage of securities purchased from each issuer relative to the entire portfolio. On March 31, the average maturity was approximately 7 months. All the percentages are consistent with the current policy and PFM recommendations.

Exhibit Five shows all investment purchases and maturities from January 1, 2003 through March 31, 2003.

Exhibit Six shows the make up of the Clark County Investment Pool at the end of the first quarter of 2003. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of securities held and related percentage of the total portfolio for each type of security. On March 31, 2003 the average term of the Pool was seven months. All percentages are consistent with the current policy.

Exhibit Seven shows the portfolio listings of the Clark County Investment Pool at the end of the year. This report contains the book value, the par value, and the market value as of March 31, 2003.

Exhibit Eight shows the liquidity of the Clark County Investment Pool. All percentages are consistent with the current policy.

Exhibit Nine reflects the percentage of securities purchased from each issuer for the Clark County Investment Pool. All percentages are consistent with the current policy.

Exhibit Ten is a comparison of the Clark County Investment Pool to the Washington State Pool.

Exhibit 1

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIC
DISTRIBUTION OF INVESTMENTS BY TYPE
MARCH 31, 2003**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Federal Agencies - Semi-annual	187,914,658.43	36.28%	469	3.413	3.460
Treasury Securities - Coupon	95,269,921.88	18.39%	226	3.117	3.160
Passbook/Money Market Accts	234,824,978.95	45.33%	1	1.440	1.460
Total	518,009,559.26	100.00%	212	2.464	2.498
Accrued Interest at Purchase	69,513.89				
Total Cash and Investments	<u>518,079,073.15</u>				

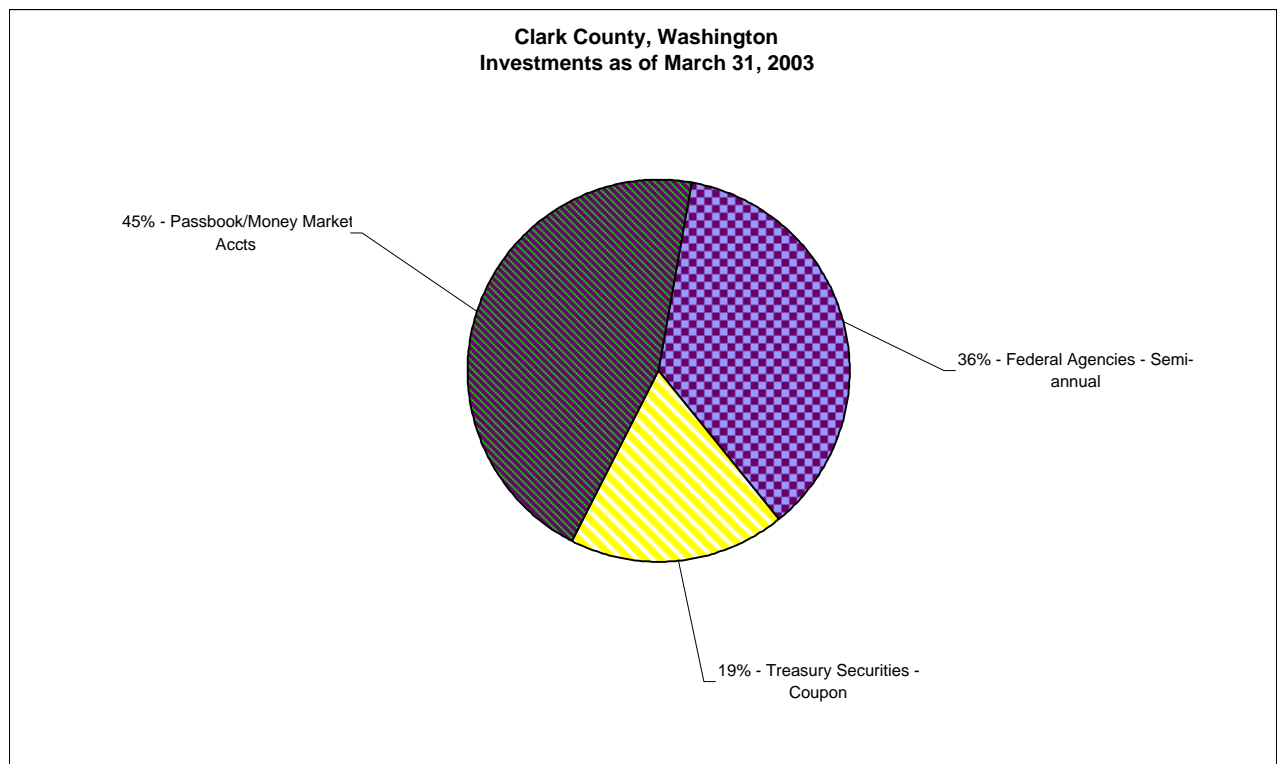


EXHIBIT 2
Clark County, Washington
Investment Portfolio
March 31, 2003

Investment Number		Purchase Date	Cusip Number	Book Value	Par Value	Market Price 03/31/03	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
Federal Agencies - Semi Annual Coupon													
89982900	Federal Farm Credit Bank	01/25/01	31331H6G7	4,989,900.00	5,000,000.00	103.297	5,164,843.75	174,943.75	5.400	5.399	5.474	01/23/04	297
89982934	Federal Farm Credit Bank	11/09/01	31331RN35	5,277,675.68	5,025,000.00	102.578	5,154,550.78	(123,124.90)	5.150	2.594	2.630	12/02/03	245
89982874	Federal Home Loan Bank	09/29/00	3133MBY84	10,090,900.00	10,000,000.00	102.094	10,209,375.00	118,475.00	6.875	6.428	6.517	08/15/03	136
89982942	Federal Home Loan Bank	03/14/02	3133MEHL8	10,214,000.00	10,000,000.00	103.750	10,375,000.00	161,000.00	4.875	3.746	3.798	04/16/04	381
89982943	Federal Home Loan Bank	03/19/02	3133MEHL8	10,190,200.00	10,000,000.00	103.750	10,375,000.00	184,800.00	4.875	3.856	3.910	04/16/04	381
89982959	Federal Home Loan Bank	10/23/02	3133MP4B9	10,163,281.25	10,000,000.00	102.500	10,250,000.00	86,718.75	3.375	2.318	2.350	06/15/04	441
89982877	Federal Nat'l Mtg Assoc.	10/10/00	31359MDT7	9,822,500.00	10,000,000.00	100.172	10,017,187.50	194,687.50	5.750	6.437	6.526	04/15/03	14
89982948	Federal Nat'l Mtg Assoc.	04/30/02	3136F1YV6	9,998,437.50	10,000,000.00	100.203	10,020,312.50	21,875.00	3.800	3.757	3.809	04/30/04	395
89982956	Federal Nat'l Mtg Assoc.	06/19/02	3136F1T67	10,078,867.90	10,000,000.00	100.665	10,066,480.00	(12,387.90)	4.500	4.196	4.254	12/13/05	987
89982960	Federal Nat'l Mtg Assoc.	10/25/02	31359MNG4	10,126,500.00	10,000,000.00	102.047	10,204,687.50	78,187.50	3.000	2.181	2.211	06/15/04	441
89982963	Federal Nat'l Mtg Assoc.	03/17/03	31359MQF3	10,061,860.00	10,000,000.00	100.516	10,051,562.50	(10,297.50)	2.750	2.481	2.515	12/16/05	990
89982947	Federal Home Loan Mtg. Corp.	04/19/02	3134A4PH1	10,030,200.00	10,000,000.00	102.578	10,257,812.50	227,612.50	3.750	3.542	3.591	04/15/04	380
89982954	Federal Home Loan Mtg. Corp.	06/04/02	312925NU0	10,012,500.00	10,000,000.00	100.391	10,039,062.50	26,562.50	3.750	3.635	3.685	06/04/04	430
89982957	Federal Home Loan Mtg. Corp.	08/09/02	312925ZX1	5,032,812.50	5,000,000.00	100.759	5,037,925.00	5,112.50	3.500	3.221	3.266	07/29/05	850
89982958	Federal Home Loan Mtg. Corp.	08/12/02	312925ZX1	10,046,875.00	10,000,000.00	100.759	10,075,850.00	28,975.00	3.500	3.286	3.332	07/29/05	850
89982961	Federal Home Loan Mtg. Corp.	11/08/02	3134A4EX8	15,729,619.20	15,000,000.00	104.156	15,623,437.50	(106,181.70)	5.000	1.718	1.742	05/15/04	410
89982962	Federal Home Loan Mtg. Corp.	11/08/02	3134A4LX0	15,367,800.00	15,000,000.00	102.875	15,431,250.00	63,450.00	3.250	1.978	2.005	11/15/04	594
89982940	Student Loan Market Assoc.	01/25/02	86387UAW5	10,254,958.90	10,000,000.00	103.672	10,367,187.50	112,228.60	4.750	3.507	3.556	04/23/04	388
89982932	Tennessee Valley Authority	10/30/01	880591DD1	10,425,770.50	10,000,000.00	102.656	10,265,625.00	(160,145.50)	5.000	2.885	2.925	12/18/03	261
Subtotal & Averages				187,914,658.43	185,025,000.00		188,987,149.53	1,072,491.10		3.413	3.460		469
Treasury Securities - Coupon													
89982866	US Treasury Note	08/16/00	9128274N9	4,867,968.75	5,000,000.00	101.531	5,076,562.50	208,593.75	5.250	6.144	6.229	08/15/03	136
89982935	US Treasury Note	11/09/01	9128274U3	10,353,125.00	10,000,000.00	101.938	10,193,750.00	(159,375.00)	4.250	2.411	2.444	11/15/03	228
89982936	US Treasury Note	11/16/01	9128277E6	9,953,125.00	10,000,000.00	100.938	10,093,750.00	140,625.00	2.780	2.957	2.998	10/31/03	213
89982944	US Treasury Note	03/28/02	9128277H9	9,956,250.00	10,000,000.00	101.578	10,157,812.50	201,562.50	3.250	3.458	3.506	12/31/03	274
89982945	US Treasury Note	03/28/02	9128277H9	9,957,031.25	10,000,000.00	101.578	10,157,812.50	200,781.25	3.250	3.454	3.502	12/31/03	274
89982946	US Treasury Note	03/28/02	9128277K2	9,904,687.50	10,000,000.00	101.547	10,154,687.50	250,000.00	3.000	3.489	3.537	01/31/04	305
89982949	US Treasury Note	04/29/02	9128277C0	10,129,687.50	10,000,000.00	101.016	10,101,562.50	(28,125.00)	3.625	2.593	2.629	08/31/03	152
89982950	US Treasury Note	04/29/02	9128277E6	9,994,921.88	10,000,000.00	100.938	10,093,750.00	98,828.12	2.750	2.747	2.785	10/31/03	213
89982951	US Treasury Note	05/01/02	9128277A4	10,163,281.25	10,000,000.00	100.906	10,090,625.00	(72,656.25)	3.875	2.504	2.539	07/31/03	121
89982952	US Treasury Note	05/01/02	9128277K2	9,989,843.75	10,000,000.00	101.547	10,154,687.50	164,843.75	3.000	3.016	3.058	01/31/04	305
Subtotal & Averages				95,269,921.88	95,000,000.00		96,275,000.00	1,005,078.12		3.117	3.160		226
Passbook/Money Market Accounts													
0001-2	Registered Warrant Investments			3,919,912.51	3,919,912.51		3,919,912.51		3.190	3.146	3.190		1
89980002	U.S. Bank - Municipal Investment Account			102,524,319.18	102,524,319.18		102,524,319.18		1.610	1.637	1.660		1
89980001	WA State Local Government Invest. Pool			128,380,747.26	128,380,747.26		128,380,747.26		1.287	1.303	1.322		1
Subtotal & Averages				234,824,978.95	234,824,978.95		234,824,978.95			1.440	1.460		1
Grand Total				518,009,559.26	514,849,978.95		520,087,128.48	2,077,569.22		2.464	2.498		212

EXHIBIT 3

CLARK COUNTY TOTAL INVESTMENT PORTFOLIO AGING OF MATURING INVESTMENTS MARCH 31, 2003

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$244,647,478.95	47.23%	47.23%
184 - 365	126,054,168.06	24.33%	71.56%
366 - 730	112,087,496.85	21.64%	93.20%
731 - 1095	35,220,415.40	6.80%	100.00%
TOTALS	\$518,009,559.26	100.00%	

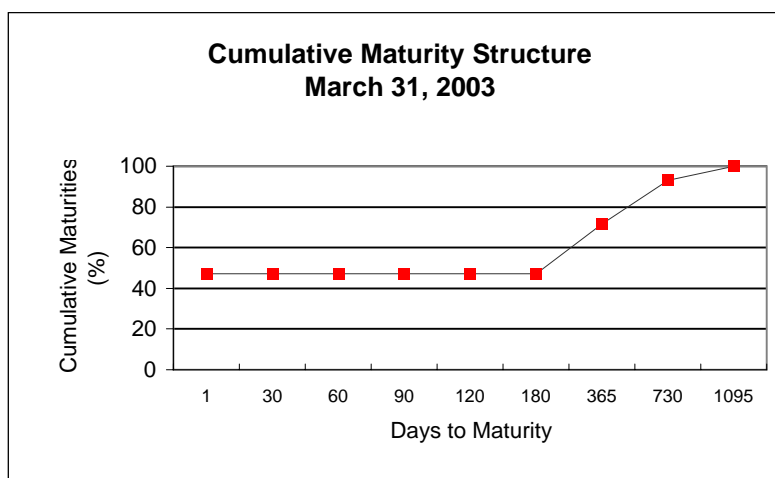
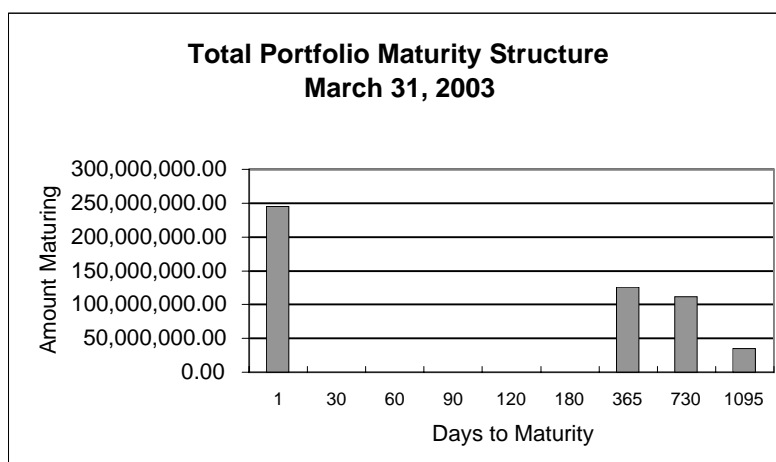


Exhibit 4

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
SUMMARY OF INVESTMENTS BY ISSUER
MARCH 31, 2003**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Registered Warrants @ 3.19%	1	3,919,912.51	0.76%	3.190	1
Federal Farm Credit Bank	2	10,267,575.68	1.98%	4.012	270
Federal Home Loan Bank	4	40,658,381.25	7.85%	4.139	335
Federal National Mtg Association	5	50,088,165.40	9.67%	3.848	568
Federal Home Loan Mtg Corp.	6	66,219,806.70	12.78%	2.734	551
Student Loan Market Assoc.	1	10,254,958.90	1.98%	3.556	388
Tennessee Valley Authority	1	10,425,770.50	2.01%	2.925	261
US Bank - Municipal Investor Account	1	102,524,319.18	19.79%	1.610	1
US Treasury Note	10	95,269,921.88	18.39%	3.160	226
Washington State Pool	1	128,380,747.26	24.79%	1.287	1
TOTALS and AVERAGES	32	\$518,009,559.26	100.00%	2.498	212

EXHIBIT 5

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
INVESTMENT ACTIVITY BY TYPE
JANUARY 1, 2003 - MARCH 31, 2003**

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
FEDERAL AGENCIES - SEMI ANNUAL COUPON				BEGINNING BALANCE:		188,088,298.43
89982963	Federal National Mtg Association	2.75	03/17/03	10,061,860.00	0.00	198,150,158.43
89982931	Federal Home Loan Mtg Corp	4.75	03/15/03	0.00	10,235,500.00	187,914,658.43
SUBTOTALS and ENDING BALANCE - JANUARY				0.00	0.00	188,088,298.43
SUBTOTALS and ENDING BALANCE - FEBRUARY				0.00	0.00	188,088,298.43
SUBTOTALS and ENDING BALANCE - MARCH				10,061,860.00	10,235,500.00	187,914,658.43
TREASURY SECURITIES - COUPON				BEGINNING BALANCE:		95,269,921.88
SUBTOTALS and ENDING BALANCE - JANUARY				0.00	0.00	95,269,921.88
SUBTOTALS and ENDING BALANCE - FEBRUARY				0.00	0.00	95,269,921.88
SUBTOTALS and ENDING BALANCE - MARCH				0.00	0.00	95,269,921.88
CLARK COUNTY				BEGINNING BALANCE:		1,393,170.18
JANUARY	Registered Warrant Invest Acct	3.19		1,689,579.56	0.00	3,082,749.74
FEBRUARY	Registered Warrant Invest Acct	3.19		837,162.77	0.00	3,919,912.51
MARCH	Registered Warrant Invest Acct	3.19		0.00	0.00	3,919,912.51
US BANK				BEGINNING BALANCE:		146,478,060.58
JANUARY	Municipal Investor Account	1.61		178,924.77	42,000,000.00	104,656,985.35
FEBRUARY	Municipal Investor Account	1.61		3,128,110.85	5,400,000.00	102,385,096.20
MARCH	Municipal Investor Account	1.61		139,222.98	0.00	102,524,319.18
STATE POOL				BEGINNING BALANCE:		47,449,876.53
JANUARY	Washington State Pool	1.73		75,035,516.04	42,700,000.00	79,785,392.57
FEBRUARY	Washington State Pool	1.55		17,567,201.25	23,000,000.00	74,352,593.82
MARCH	Washington State Pool	1.45		83,828,153.44	29,800,000.00	128,380,747.26
		BEGINNING BALANCE:		PURCHASES	MATURITIES	ENDING BALANCE:
JANUARY	TOTALS	478,679,327.60		76,904,020.37	84,700,000.00	470,883,347.97
FEBRUARY	TOTALS	470,883,347.97		21,532,474.87	28,400,000.00	464,015,822.84
MARCH	TOTALS	464,015,822.84		94,029,236.42	40,035,500.00	518,009,559.26

Exhibit 6

**CLARK COUNTY INVESTMENT POOL
DISTRIBUTION OF INVESTMENTS BY TYPE
MARCH 31, 2003**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Federal Agencies - Semi-annual	187,914,658.43	36.55%	468	3.413	3.460
Treasury Securities - Coupon	95,269,921.88	18.53%	226	3.117	3.160
Passbook/Money Market Accts	230,905,066.44	44.92%	1	1.411	1.430
Total	<u>514,089,646.75</u>	<u>100.00%</u>	<u>213</u>	<u>2.459%</u>	<u>2.493%</u>

**Clark County Investment Pool
Investments as of March 31, 2003**

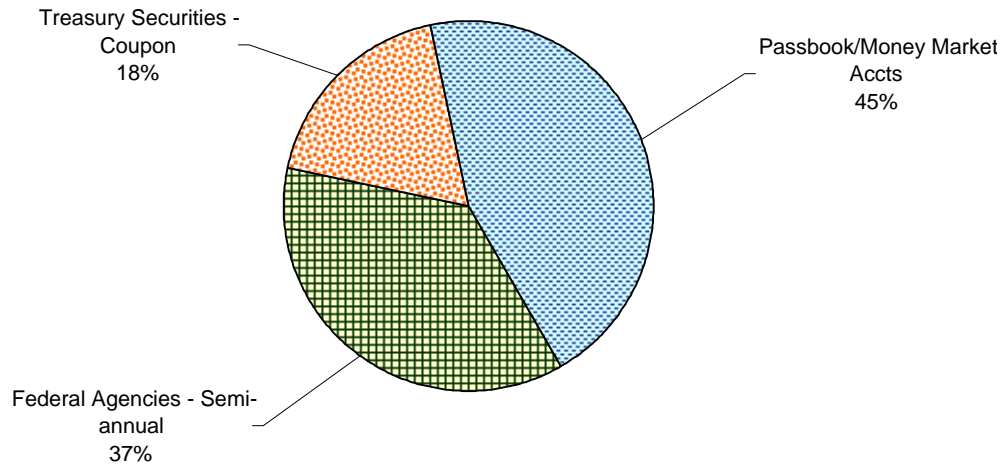


Exhibit 7

Clark County Investment Pool

Investment Portfolio

March 31, 2003

Investment Number	Description	Purchase Date	Cusip Number	Cost at Purchase	Book Value	Par Value	Market Price 03/31/03	Market Value	Cash Gain/(Loss) on Security	Coupor Rate	Yield to Maturity 360 365	Maturity Date	Days to Maturity	
Federal Agencies - Semi Annual Coupon														
89982900	Federal Farm Credit Bank	01/25/01	31331H6G7	4,989,900.00	4,997,264.19	5,000,000.00	103.297	5,164,843.75	174,943.75	5.400	5.399	5.474	01/23/04	297
89982934	Federal Farm Credit Bank	11/09/01	31331RN35	5,277,675.68	5,106,958.06	5,025,000.00	102.578	5,154,550.78	(123,124.90)	5.150	2.594	2.630	12/02/03	245
89982874	Federal Home Loan Bank	09/29/00	3133MBY84	10,090,900.00	10,011,757.34	10,000,000.00	102.094	10,209,375.00	118,475.00	6.875	6.428	6.517	08/15/03	136
89982942	Federal Home Loan Bank	03/14/02	3133MEHL8	10,214,000.00	10,106,715.43	10,000,000.00	103.750	10,375,000.00	161,000.00	4.875	3.746	3.798	04/16/04	381
89982943	Federal Home Loan Bank	03/19/02	3133MEHL8	10,190,200.00	10,095,481.93	10,000,000.00	103.750	10,375,000.00	184,800.00	4.875	3.856	3.910	04/16/04	381
89982959	Federal Home Loan Bank	10/23/02	3133MP4B9	10,163,281.25	10,119,702.81	10,000,000.00	102.500	10,250,000.00	86,718.75	3.375	2.318	2.350	06/15/04	441
89982877	Federal Nat'l Mtg Assoc.	10/10/00	31359MDT7	9,822,500.00	9,997,254.14	10,000,000.00	100.172	10,017,187.50	194,687.50	5.750	6.437	6.526	04/15/03	14
89982948	Federal Nat'l Mtg Assoc.	04/30/02	3136F1YV6	9,998,437.50	9,999,155.82	10,000,000.00	100.203	10,020,312.50	21,875.00	3.800	3.757	3.809	04/30/04	395
89982956	Federal Nat'l Mtg Assoc.	06/19/02	3136F1T67	10,078,867.90	10,061,132.06	10,000,000.00	100.665	10,066,480.00	(12,387.90)	4.500	4.196	4.254	12/13/05	987
89982960	Federal Nat'l Mtg Assoc.	10/25/02	31359MNG4	10,126,500.00	10,093,052.54	10,000,000.00	102.047	10,204,687.50	78,187.50	3.000	2.181	2.211	06/15/04	441
89982963	Federal Nat'l Mtg Assoc.	03/17/03	31359MQF3	10,061,860.00	10,060,984.33	10,000,000.00	100.516	10,051,562.50	(10,297.50)	2.750	2.481	2.515	12/16/05	990
89982947	Federal Home Loan Mtg. Corp.	04/19/02	3134A4PH1	10,030,200.00	10,015,774.86	10,000,000.00	102.578	10,257,812.50	242,037.64	3.750	3.542	3.591	04/15/04	380
89982954	Federal Home Loan Mtg. Corp.	06/04/02	312925NU0	10,012,500.00	10,001,373.68	10,000,000.00	100.391	10,039,062.50	37,688.82	3.750	3.635	3.685	06/04/04	430
89982957	Federal Home Loan Mtg. Corp.	08/09/02	312925ZX1	5,032,812.50	5,009,641.32	5,000,000.00	100.759	5,037,925.00	28,283.68	3.500	3.221	3.266	07/29/05	850
89982958	Federal Home Loan Mtg. Corp.	08/12/02	312925ZX1	10,046,875.00	10,013,812.09	10,000,000.00	100.759	10,075,850.00	62,037.91	3.500	3.286	3.332	07/29/05	850
89982961	Federal Home Loan Mtg. Corp.	11/08/02	3134A4EX8	15,729,619.20	15,538,877.80	15,000,000.00	104.156	15,623,437.50	84,559.70	5.000	1.718	1.742	05/15/04	410
89982962	Federal Home Loan Mtg. Corp.	11/08/02	3134A4LX0	15,367,800.00	15,295,454.20	15,000,000.00	102.875	15,431,250.00	135,795.80	3.250	1.978	2.005	11/15/04	594
89982940	Student Loan Market Assoc.	01/25/02	86387UAW5	10,254,958.90	10,120,537.50	10,000,000.00	103.672	10,367,187.50	246,650.00	4.750	3.507	3.556	04/23/04	388
89982932	Tennessee Valley Authority	10/31/01	880591DD1	10,425,770.50	10,142,477.89	10,000,000.00	102.656	10,265,625.00	123,147.11	5.000	2.885	2.925	12/18/03	261
Subtotal & Averages				187,914,658.43	186,787,407.99	185,025,000.00		188,987,149.53	1,835,077.86		3.413	3.460		468
Treasury Securities -Semi Annual Coupon														
89982866	US Treasury Note	08/16/00	9128274N9	4,867,968.75	4,983,586.61	5,000,000.00	101.531	5,076,562.50	208,593.75	5.250	6.144	6.229	08/15/03	136
89982935	US Treasury Note	11/09/01	9128274U3	10,353,125.00	10,109,391.98	10,000,000.00	101.938	10,193,750.00	(159,375.00)	4.250	2.411	2.444	11/15/03	228
89982936	US Treasury Note	11/16/01	9128277E6	9,953,125.00	9,986,016.28	10,000,000.00	100.938	10,093,750.00	140,625.00	2.750	2.957	2.998	10/31/03	213
89982944	US Treasury Note	03/28/02	9128277H9	9,956,250.00	9,981,356.92	10,000,000.00	101.578	10,157,812.50	201,562.50	3.250	3.458	3.506	12/31/03	274
89982945	US Treasury Note	03/28/02	9128277H9	9,957,031.25	9,981,689.83	10,000,000.00	101.578	10,157,812.50	200,781.25	3.250	3.454	3.502	12/31/03	274
89982946	US Treasury Note	03/28/02	3128277K2	9,904,687.50	9,956,868.97	10,000,000.00	101.547	10,154,687.50	250,000.00	3.000	3.489	3.537	01/31/04	305
89982949	US Treasury Note	04/29/02	9128277C0	10,129,687.50	10,040,311.86	10,000,000.00	101.016	10,101,562.50	(28,125.00)	3.625	2.593	2.629	08/31/03	152
89982950	US Treasury Note	04/29/02	9128277E6	9,994,921.88	9,998,033.38	10,000,000.00	100.938	10,093,750.00	98,828.12	2.750	2.747	2.785	10/31/03	213
89982951	US Treasury Note	05/01/02	9128277A4	10,163,281.25	10,043,326.82	10,000,000.00	100.906	10,090,625.00	(72,656.25)	3.875	2.504	2.539	07/31/03	121
89982952	US Treasury Note	05/01/02	9128277K2	9,989,843.75	9,995,159.91	10,000,000.00	101.547	10,154,687.50	164,843.75	3.000	3.016	3.058	01/31/04	305
Subtotal & Averages				95,269,921.88	95,075,742.56	95,000,000.00		96,275,000.00	1,005,078.12		3.117	3.160		226
Passbook/Money Market Accounts														
89980002	U.S. Bank - Municipal Investment Account			102,524,319.18	102,524,319.18	102,524,319.18		102,524,319.18		1.610	1.637	1.660		1
89980001	WA State Local Government Invest. Pool			128,380,747.26	128,380,747.26	128,380,747.26		128,380,747.26		1.287	1.303	1.322		1
Subtotal & Averages				230,905,066.44	230,905,066.44	230,905,066.44		230,905,066.44			1.411	1.430		1
Grand Total				514,089,646.75	512,768,216.99	510,930,066.44		516,167,215.97	2,840,155.98		2.459	2.493		213

EXHIBIT 8

CLARK COUNTY INVESTMENT POOL AGING OF MATURING INVESTMENTS MARCH 31, 2003

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$240,727,566.44	46.83%	46.83%
184 - 365	126,054,168.06	24.52%	71.35%
366 - 730	112,087,496.85	21.80%	93.15%
731 - 1095	35,220,415.40	6.85%	100.00%
TOTALS	\$514,089,646.75	100.00%	

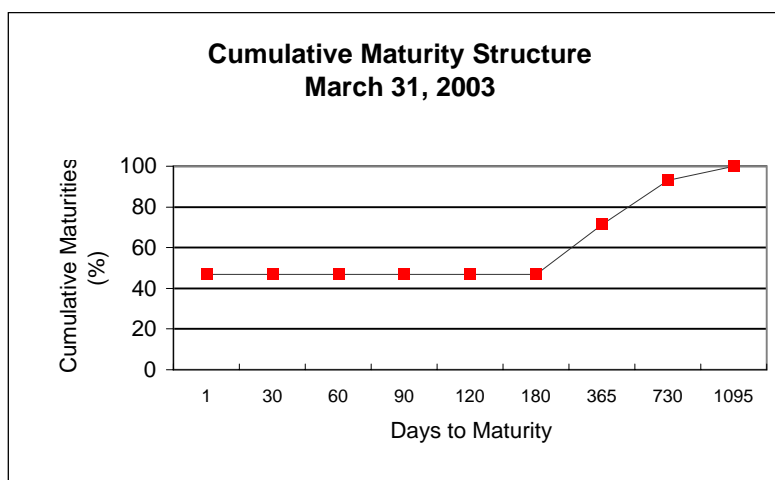
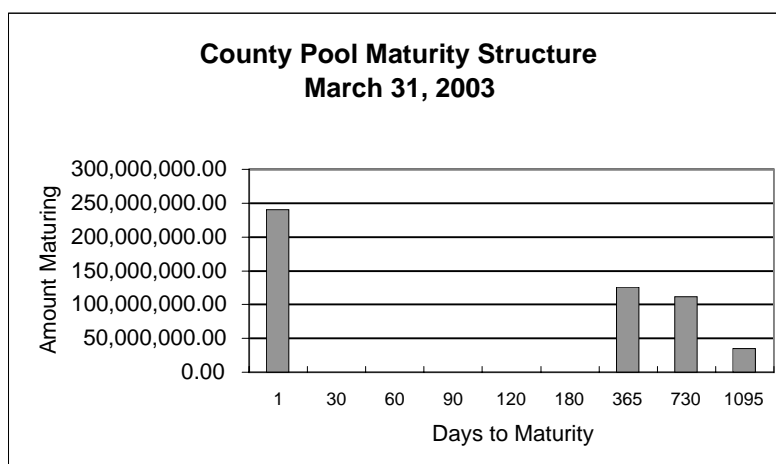


Exhibit 9

**CLARK COUNTY TOTAL INVESTMENT POOL
SUMMARY OF INVESTMENTS BY ISSUER
MARCH 31, 2003**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Federal Farm Credit Bank	2	10,267,575.68	2.00%	4.012	270
Federal Home Loan Bank	4	40,658,381.25	7.91%	4.139	335
Federal National Mtg Association	5	50,088,165.40	9.74%	3.848	568
Federal Home Loan Mtg Corp.	6	66,219,806.70	12.88%	2.734	551
Student Loan Market Assoc.	1	10,254,958.90	1.99%	3.556	388
Tennessee Valley Authority	1	10,425,770.50	2.03%	2.925	261
US Bank - Municipal Investor Account	1	102,524,319.18	19.94%	1.610	1
US Treasury Note	10	95,269,921.88	18.53%	3.160	226
Washington State Pool	1	128,380,747.26	24.98%	1.287	1
TOTALS and AVERAGES	31	\$ 514,089,646.75	100.00%	2.493	213

Exhibit 10 **County Pool vs. State Pool** **1/88 - 03/03**

Overall, \$17.5 million increased
interest income realized from
Pooling

\$8.04 million realized in increased
interest earnings by extending
maturities from 1/89 - 7/94.

Due to lagging effect of longer-term
securities, interest revenue
underperformed the State Pool during
8/94 - 9/96 in the amount of
approximately \$2.9 million

